

TESTIMONY OF
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UNITED STATES DEPARTMENT OF AGRICULTURE
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Thank you, Mr. Chairman. I am Eric Bost, Under Secretary for Food, Nutrition and Consumer Services at the U.S. Department of Agriculture (USDA). I am pleased to be here today to talk about the Administration's recommendations for the upcoming reauthorization of the Child Nutrition Programs and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Within USDA, the Food, Nutrition, and Consumer Services (FNCS) is the lead mission area for improving the health and nutrition of all Americans, especially children as well as our most vulnerable individuals and families. Our agency oversees 15 nutrition assistance programs that touch the lives of 1 out of 5 people in this country every year. The National School Lunch Program alone serves an average of 28 million children each school day. Fifty-eight percent of these children receive a nutritious lunch free or at a reduced price. Nearly eleven million also take part in school breakfast, after-school snacks, or summer meals. Programs like these present us with an extraordinary opportunity to reach young Americans and send out strong, consistent messages about achieving and maintaining a healthy lifestyle. Through our school meals programs, summer feeding, child care and WIC programs, we are making important strides towards improving the quality of children's diets and raising their awareness of healthy choices.

Over a year ago, as we began considering possible improvements to the Child Nutrition Programs and WIC, we knew that an inclusive process, bringing together the suggestions of interested groups and individuals from across the country, would serve us well. So we traveled to nine cities to hear from advocacy groups, school lunch and child nutrition professionals and the public, about what was working and what needed improvement. From this process, we gained significant insight into the ways in which our programs could better meet their goals.

We have been guided by the belief that ensuring the strength and integrity of the nutrition safety net depends on programs being readily accessible by all those eligible for them, a strong commitment to encourage children to make positive choices about what they eat, how much they eat, and how active they are; and good stewardship of program resources, combining effective oversight with a minimum of red tape.

The reauthorization process gives the Administration and Congress the opportunity to empower local schools, parents, and communities to move toward a nutrition environment that values and fosters the health of our children. We believe that reauthorization of these programs should be guided by the following principles:

- Ensuring access to program benefits for all eligible children. To effectively and efficiently ensure access, we propose streamlining the application process and the administration of programs to minimize burdens on both schools and parents;

- Supporting healthy school environments to address the epidemic of overweight and obesity among our children by providing financial incentives to schools that meet the dietary guidelines; and
- Improving the accuracy of program eligibility determinations, while ensuring access to program benefits for all eligible children, and reinvesting program savings to support program outcomes.

This Administration believes that these principles provide the focus and framework needed to address the challenges and opportunities our nation faces in promoting good nutrition and health for all children.

Ensuring Program Access

Streamlining these programs by fostering common program rules and policies is an important step toward minimizing administrative burdens for those who operate the programs and ensuring easier access for parents to enroll their children. Over the years, school cooperators have requested streamlining of the Child Nutrition Programs, noting that in order to provide the full array of year-round services that are offered, they have to participate in four programs, with four different sets of rules. Further, cooperators argue that the restrictions placed on each of the various meal services increase administrative costs and result in schools limiting the meal services offered to children in an effort to simplify administration of programs.

This Administration proposes to streamline the operations of the School Meals Programs under the auspices of one program, the School Nutrition Program. USDA expects that streamlined operations will permit schools to provide meals to children, 365 days a year. This proposal would allow schools to offer a full array of meals under one set of rules. Simplifying the administrative burden would allow schools to operate under one State administrative office and enable them to provide meals to children during vacations and holidays without having to apply for the Summer Food Service Program or the Child and Adult Care Food Program. We also recommend increasing the regular free and reduced-price breakfast rates to the severe need rate for all schools participating in the program.

We are interested in expanding access to the other programs that we administer, with a special focus on the Summer Food Service Program. This is one of my top priorities for FNCS. We are committed to improving access to nutritious food for children in the summer months, when school is not in session. FNS launched a major effort last year, along with providers and advocates, to expand the number of sponsors, feeding sites, and participants in the Summer Food Service Program, and we continue to work directly at the local level, selecting unserved or underserved counties to develop potential sponsors, sites and vendors for this program.

But to meet our commitment to improve access for all children who are eligible, we must work closely with our program partners; individuals and organizations in communities across America who deliver the nutrition assistance programs, and work to make the programs accessible and effective. Faith-based organizations have played an important role in raising community awareness about program services, assisting individuals who apply for benefits, and

delivering benefits. President Bush has made working with the faith-based community an Administration priority, and we intend to continue our efforts to reach out to that community.

Healthy School Environment

The prevalence of overweight and obesity among America's youth is an epidemic requiring immediate attention. The percentage of young people who are overweight has almost doubled in the last 20 years for children aged 6-11 and almost tripled for adolescents aged 12-19. And we know that overweight among children is the precursor to obesity, and its related health problems, among adults.

Obesity is one health issue that affects every single one of us – through our families, our friends, our communities, our workplaces, and even our taxes. It causes more health problems than smoking, heavy drinking, or even poverty.

The immediate reasons for overweight among our children are clear and uncomplicated: too many of them eat too much, they eat too much of the wrong things, and they get too little physical activity. But these seemingly simple factors are influenced by many forces – the too-easy availability of sugary, high-fat foods; enticement away from sports and exercise toward television and computer screens; the lack of strong programs of nutrition education and physical education in many schools – that contribute to the increasing numbers of overweight and out-of-shape children.

We all bear some responsibility for this problem, and we all have important roles to play.

Parents need to model healthy eating and physical activity; currently 6 in 10 adults are overweight, and children learn from what parents *do* at least as much as what they *say*. At the same time, parents must guide the choices of their children while they are too young to make informed choices alone. Families and communities can make healthy eating and exercise shared activities. Teachers can find ways to build nutrition and physical education into their curricula, and school administrators can work to create a healthy school environment. The media can help as well, by promoting nutrition and physical activity at times that truly reach children and their caregivers.

And, of course, the Federal nutrition assistance programs have an essential role to play. We operate programs in over 93% of the schools across the Nation, serving over 28 million children each day. And USDA has been working for more than a decade to do our part:

- As part of the President's *HealthierUS* Initiative, we are pursuing a vigorous nutrition promotion campaign, "Eat Smart. Play Hard.", to motivate healthy eating and more physical activity;
- We are promoting healthy eating right from the start by expanding breastfeeding promotion and support activities;
- We are expanding and improving program-based nutrition education, and other nutrition services to motivate people to eat healthfully; and
- We are working to encourage schools to establish healthy school environments that offer nutritious foods and increase opportunities for physical activity through

activities such as our *HealthierUS* Memorandum of Understanding with the Department of Health and Human Services and the Department of Education.

Additionally, USDA has worked with schools to more closely align the meals they serve with the *Dietary Guidelines for Americans*. Today, over 80 percent of NSLP schools offer meals that are consistent with good health. We have supported these changes by improving the quality, variety, and nutritional content of the commodities we provide to schools, and by providing food service workers with training and technical assistance to help them prepare more nutritious and appealing meals.

But there is more that we must do, and reauthorization offers us a prime opportunity.

- We support expanded funding to support the delivery of education messages and materials in schools.
- We support requiring schools to offer low fat milk as a beverage option for school meals.
- And we propose to establish a Healthy School Environment that supports the President's *HealthierUS* and No Child Left Behind initiatives through financial incentives to schools that choose to meet certain criteria.

And so, the Administration proposes a multi-departmental approach to implementing *HealthierUS* in schools which is outcome driven.

The Administration proposes demonstration projects in schools across the country that operationalize the four keystones of *HealthierUS*:

- Nutrition – Eat a nutritious diet;
- Physical Fitness – Be physically active each day;
- Prevention – Get preventive screening; and
- Avoid Risk Behaviors – Make healthy choices.

Critical to the demonstration projects is an evaluation component that will provide information regarding outcomes to inform future policy. School districts will be asked to volunteer for the demonstration projects, and will be offered incentives to support the implementation of *HealthierUS* in their schools. Understanding the importance of local choice, schools will be able to identify if they want to implement one or more of the four keystones – incentives will be attached to each keystone and a special “*HealthierUS*” designation will be awarded to those schools that implement all four. The Departments of Agriculture, Education, and Health and Human Services will coordinate to achieve the goals of the demonstration projects.

For example, to earn a “*HealthierUS*” nutrition incentive, a school could design a nutrition program that:

- Serves program meals that meet Federal nutrition standards;
- Offers *healthful* food options in vending machines, school canteens, and their a la carte menu service;
- Promotes the consumption of fruits and vegetables; and

- Delivers nutrition education and formally commits to the principles of good school nutrition.

Nutrition experts could decide the specifics of these and other potential criteria. But the thrust of our recommendation is to give good nutrition a fighting chance by financially supporting local schools that wish to take action to promote children's health. Such an action empowers parents, school administrators, teachers, local communities, and States to improve the health of their children – a proper role for government, and a wise investment in the future.

The challenge of obesity did not appear overnight; it will not be solved overnight, and we cannot solve it alone. But our responsibilities to promote the Nation's health demand action now. Without it, the problem will only get worse. The cost in increased health problems among future generations is a price that is too high to pay.

We look forward to working with the Committee to develop a demonstration project as we work to reauthorize the Child Nutrition Programs. The Federal government cannot create a healthy school environment on its own, nor can it mandate one to local schools. But it can offer leadership and support for schools and communities that are willing to invest in these efforts for the sake of our children. In conjunction with local school districts, we can use nutrition education and promotion to teach and motivate children to choose a healthy diet. We must also support local schools that make serious efforts to improve the school-eating environment and

promote physical education in the school's curriculum, and consider financial and other incentives to reward their successes.

Food safety has always been an integral part of food service for the Child Nutrition Programs and is an essential part of the healthy school environment this Administration supports. To promote food safety, we recommend requiring school food authorities to employ Hazard Analysis and Critical Control Point (HACCP) procedures in the preparation and service of meals to ensure the delivery of safe, nutritious food.

To assist us in ensuring that the meals served to children in schools, day care centers and summer programs are safe, the National Food Service Management Institute (NFSMI) at the University of Mississippi is a key resource for food-safety materials, education and training for food service personnel in our nutrition programs. Established by Congress in 1989, the Food Management Institute recently created a network of HACCP instructors to train school food service employees in HACCP principles, and developed a manual and teleconferences to train food service managers in responding to a food recall or emergency readiness crisis. It is vital that the food we serve in all of our nutrition programs be safe and nutritious under all conditions.

Fighting Hunger and Obesity

Does the epidemic of obesity mean that we have won the war on hunger? No. In spite of the success of our nutrition assistance programs, hunger remains a problem. In data for 2001, 3.5 million U.S. households were classified as food insecure with hunger. Low-income households may be eligible for more than one nutrition assistance program, but only five percent of eligible

families receive benefits from food stamps, school lunch, school breakfast, and WIC in the same year. The majority of households participate in only one program.

Hunger and obesity co-exist in the United States and are no more mutually exclusive than cancer and heart disease. The Federal government has a responsibility to address both, and we are committed to ensuring access both to enough food and to the skills and motivation to make healthy lifestyle choices.

Program Integrity

However ambitious our agenda for the Child Nutrition and WIC Programs, we cannot realize and sustain effective change without careful attention to program stewardship and integrity. This is true for two reasons. First, program waste and abuse divert taxpayer resources from investment in the improvements we seek. Second, and perhaps more importantly, we cannot sustain these programs without continued public trust in our ability to manage them effectively. For these reasons, I consider program integrity as fundamental to our mission as program access or healthy eating. Program reauthorization provides a tremendous opportunity to improve the program by decreasing benefits currently paid in error and reinvesting the savings in targeted initiatives that increase program access and improve the quality of meals.

As this Committee knows, a great deal of attention – and some conflicting information—has emerged in recent months regarding the accuracy of certifications in the National School Lunch Program. USDA has been examining this issue for a number of years, and while we do not have data that allow us to estimate the exact level of error in the program, we have clear

indications from a number of different sources that there are problems with the school meals certification process. Further, the evidence suggests that these problems have worsened over time.

Currently, households report their income on forms sent out at the beginning of the school year, and school lunch providers are required to determine program eligibility based on the data; only a small percentage of the information is verified. Improper certifications create the risk that nutrition assistance benefits intended for poor children go to those who are not eligible. Furthermore, data on children certified for free and reduced-price meals is used to distribute billions in Federal, State, and local education aid, so errors in this data can undermine targeting of essential services to those most in need.

It would be irresponsible for USDA not to take steps to address the problem, and we have a plan for action. But before I present it to you, let me emphasize that the Bush Administration is committed to ensuring that all eligible children have access to free and reduced-price meals. We have had a continuing dialogue with the Congress, the school food service community, and program advocates, and have been working to develop and test policy changes that improve accuracy but do not deter eligible children from participation in the program and do not impose undue burdens on local program administrators. The recommendations that we will pursue include:

- **Require direct certification for free meals through the Food Stamp Program.** As provided for in the President's budget, this would increase access among low-income

families and reduce the application burden for their families and schools. The process of direct certification is significantly more accurate than paper applications.

- **For those who must continue to apply through paper-based applications, enhance verification of those applications** by drawing verification samples early in the school year, with all verifications to be completed within 45 days; expanding the verification sample; and including both a random sample and one focused on error-prone applications in each school.
- **Minimize barriers for eligible children who wish to remain in the program by requiring a robust, consistent effort in every State to follow-up** with those who do not respond to verification requests. USDA would require that an initial contact to the household be in writing, and in the event of no response to the initial contact, multiple attempts at a follow-up telephone contact would be required.
- **Streamline the process for those who must still submit paper applications** by requiring a single application for each household.
- **Provide for year-long certifications in both paper-based applications and direct certifications**, eliminating the need to report income changes during the year.
- **Provide funding to support these new/enhanced administrative efforts.** Let me note that while we consider this enhanced verification process an important step to improve

integrity, we should not require that these expanded efforts be placed in the hands of already overburdened food service workers.

- **Initiate a series of comprehensive demonstration projects to test alternative mechanisms for certifying and verifying applicant information,** including use of wage data matching that identifies eligible and ineligible households and a nationally representative study of overcertification error and the number of program dollars lost to program error.

These recommendations include both strong steps that we can take immediately to address the issue, and a plan to continue research and demonstration efforts to build on these early steps with further improvements over time. Further, we expect to learn more about the problem of certification inaccuracy, and potential solutions in the coming months as the results of our research and analysis continue to emerge.

The Administration has committed to reinvest any savings that result from an improved certification system back into the program – and especially to the low-income children who rely on it. Our commitment to maintaining access to the program for these children is fundamental, and the proposal I have outlined offers a substantial response to the certification accuracy problem without jeopardizing children’s eligibility, or unduly burdening our schools. I look forward to working with you to pursue these improvements.

Special Supplemental Nutrition Program for Women, Infants and Children

I would now like to talk about the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). WIC is viewed as one of the most successful public health nutrition programs ever created by Congress.

Each month, WIC provides over 7.5 million at risk, low-income pregnant, breastfeeding and postpartum women, infants and very young children with supplemental food packages targeted to their dietary needs, nutrition education and referrals to health and social services. Nearly one-half of the infants born in this country receive WIC benefits.

The success of WIC is well documented. Participation in WIC leads to better pregnancy outcomes—fewer infant deaths, fewer premature births, and increased birth weights. Medicaid savings for newborns and their mothers in the first 60 days after birth average between \$1.77 and \$3.13 for every dollar spent on WIC. These results, we believe, are attributable to the unique design of the program, which is comprised of:

- A nutrition prescription that allows pregnant and new mothers to purchase food dense in nutrients that are often lacking in the WIC population;
- Individualized nutrition education and counseling; and
- Critical referrals to other health care and social service assistance programs.

As we study improvement to the WIC Program during reauthorization, the Administration is especially supportive of improving nutrition services and expanding Federal support for technology and innovation. In the area of technology and innovation, this

Administration supports \$30 million in annual budget authority. This money would be earmarked for a comprehensive WIC Management Information System (MIS) development and support initiative. Many WIC State agencies are operating outdated systems. These funds would help to strengthen these systems, which are critical for effective program management.

Additionally, promising improvements would result from authorizing a national evaluation of WIC's effectiveness every five years; expanding the availability of breastfeeding peer counselors to provide support to breastfeeding mothers; and authorizing obesity pilot projects to evaluate whether WIC can help prevent childhood obesity.

Conclusion

Mr. Chairman, I appreciate the commitment and long-standing support of this Committee in recognizing the importance of good nutrition as part of an overall healthy lifestyle for all Americans. As we prepare to reauthorize the child nutrition programs, we are mindful of the critical contribution they make to life-long eating habits and good health.

But, the Federal government cannot – and should not – do this job alone. Meeting this challenge requires all of us...parents, family members, our schools, our communities, local and national organizations, industry and all levels of government, State as well as Federal.

Mr. Chairman, this Administration looks forward to working with your Committee in reauthorizing the Child Nutrition Programs and WIC to enhance their effectiveness and further their impact on the health and nutrition of families today and in the future.

This concludes my prepared remarks. I would be happy to answer any questions you might have at this time.